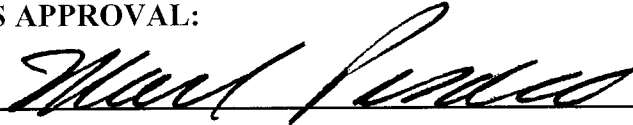


# REPORT

DATE: 3/11/04  
TO: Regional Council  
FROM: Jim Sims  
SUBJECT: **Proposed Sublease – Eastside of the 9<sup>th</sup> floor space**

## EXECUTIVE DIRECTOR'S APPROVAL:



**RECOMMENDED ACTION:** Staff recommends acceptance of the proposed sublease as outlined.

**BACKGROUND:** At the July 31, 2003 Regional Council meeting, the RC authorized the selection of a real estate broker to market our excess office space. Sierra Commercial Real Estate Services Inc. was the consultant selected. Sierra has been actively pursuing tenants to sublease portions of our available space. We have been offered a proposal to sublease the east half of our 9<sup>th</sup> floor suite to a law firm. The following are the basic terms of the proposed sublease between SCAG (Sublessor) and Kim & Song, LLP (Sublessee):

- Size: 2,187 RSF+/-
- Term: Full remaining lease term to December 31, 2009
- Commencement: Upon completion of improvements and move in, not to exceed 60 days
- Basic Rental Rate: \$1.15 RSF
- Basic Monthly Rent: \$2,515.05
- Additional Rent: Sublessee will reimburse Sublessor for its proportionate share of Sublessor's share of any increases in Landlord's Operating Cost and Landlord's Operating Taxes and any other charges assessed against the premises by Landlord
- Use: General office use
- Improvements: Sublessee accepts the premises As-is, except Sublessor will convert the center dividing partition to a solid demising wall to separate the premises into two suites and will remove all of its personal property from the premises. Sublessee will perform required improvements to include 4 private offices, second door to the conference room, 3+ secretarial stations, related improvements per plans to be developed by Sublessee.
- Alterations: Subject to approval by Sublessor and Landlord
- Parking: Arranged through the Office of the Building
- Broker: Sierra Commercial Real Estate Services, Inc.

Staff recommends acceptance of this offer because subleasing the space would reduce our IC costs.

**FISCAL IMPACT:** Recuperation of approximately 25% the 9<sup>th</sup> floor rent.

